



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10**

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OFFICE OF
ENVIRONMENTAL REVIEW
AND ASSESSMENT

August 15, 2016

Dr. James Kendall, Director
Bureau of Ocean Energy Management, Alaska OCS Region
3801 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503-5823

Dear Dr. Kendall:

Thank you for the opportunity to provide comments on the Cook Inlet Outer Continental Shelf Oil and Gas Lease Sale 244 Draft Environmental Impact Statement, in Cook Inlet, Alaska (EPA Project Number 14-0060-DOI). We have conducted our review in accordance with our responsibilities under National Environmental Policy Act and Section 309 of the Clean Air Act.

Based on our review, we have assigned a rating of EC-2 (Environmental Concerns-Insufficient Information) to the EIS. This rating is based primarily on concerns relating to potential impacts to water quality, areas of special concern, tribal and environmental justice populations, birds, and endangered species, specifically relating to a large scale oil spill. While we recognize that the probability of a large scale oil spill is low, we continue to encourage the BOEM to develop additional precautionary and response procedures, in consultation with other Federal, State, municipal, tribal and public-at-large stakeholders, to ensure coordinated efforts into the future, especially if actual projects are developed under this lease sale. For your reference, a copy of the rating system we use to conduct our review is enclosed.

Overall, we believe that the Draft EIS does a satisfactory job of analyzing a range of reasonable alternatives for the potential leasing scenarios for the Cook Inlet Planning Area, as well as beneficial and adverse impacts associated with the alternatives. We believe each of the action alternatives provides additional protections, as compared to the previous lease sales through the avoidance of most critical habitat and other sensitive areas. As such, we do not object to the selection of any of the action alternatives or combination of alternatives. We also fully support the rigorous monitoring strategy that has been proposed by the Bureau of Ocean Energy Management, and further NEPA evaluation of any actual proposed project. We recognize incorporating such information into future management decisions will ensure that accurate and effective management strategies are being employed.

We continue to support the evaluation of a very large oil spill scenario in lease sale EISs and appreciate this has been completed for this EIS. We believe doing so will assist spill response entities, as well as potentially affected communities to better prepare for such a low probability but potentially high impact event. We believe this preparation will also further minimize those moderate to major impacts identified above.

We also commend the BOEM for extensive stakeholder and tribal outreach and communication to date. We believe continuous communication, particularly with those who are dependent on the marine resources of the lower Cook Inlet, will allow the BOEM to incorporate additional mitigation or monitoring to ensure concerns are addressed.

Enclosed are several specific comments for your consideration as you prepare the Final EIS. We ask that the BOEM incorporate these comments, particularly those associated with the EPA's authorities and existing applicable permits, in the Final EIS.

Finally, we note that the Council on Environmental Quality recently finalized guidance regarding the analysis of greenhouse gas emissions and climate change in NEPA documents.¹ We recommend that the BOEM utilize this guidance in the discussion regarding GHGs and climate change in the Final EIS.

Thank you for the opportunity to review this Draft EIS. If you have questions about our comments, please contact me at (206) 553-1601 or littleton.christine@epa.gov or you may contact Jennifer Curtis of my staff in Anchorage at (907) 271-6324 or curtis.jennifer@epa.gov.

Sincerely,



Christine B. Littleton, Manager
Office of Environmental Review and Assessment

Enclosures:

1. U.S. Environmental Protection Agency
Comments On The Bureau Of Ocean Energy Management Cook Inlet Outer Continental Shelf
Oil and Gas Lease Sale 244
Draft Environmental Impact Statement
2. U.S. Environmental Protection Agency Rating System For Draft Environmental Impact Statements

¹https://www.whitehouse.gov/sites/whitehouse.gov/files/documents/nepa_final_ghg_guidance.pdf

ENCLOSURE 1

U.S. ENVIRONMENTAL PROTECTION AGENCY COMMENTS ON THE BUREAU OF OCEAN ENERGY MANAGEMENT COOK INLET OUTER CONTINENTAL SHELF OIL AND GAS LEASE SALE 244 DRAFT ENVIRONMENTAL IMPACT STATEMENT

Oil Spill Analysis

We commend the BOEM for the inclusion of oil spill analysis for a range of spill sizes, including a very large oil spill, and believe this analysis is critical in the development of adequate spill planning and response activities. As stated previously, we recognize that the probability of a large scale oil spill is low, particularly given the likely level of activity anticipated under this lease sale, and impacts will be mitigated in large part through the proposed exclusion zones, information to lessees and stipulations. Nevertheless, the potential for major impacts from a large scale event exists, especially impacts to certain resources and populations (water quality, areas of special concern, tribal and environmental justice populations, birds, and endangered species). As such, we continue to encourage the BOEM to develop additional procedures, in consultation with other Federal, State, municipal, tribal and public-at-large stakeholders, to ensure coordinated efforts into the future. This will be essential should an actual project or projects be developed under this lease sale.

Specific Comments

We offer the following comments for your consideration in the Final EIS:

Page ES-3, 3rd paragraph, we recommend the identification of a number of years for the "lifespan" given that risks generally increase with facility age.

Page 2-13, 2nd paragraph, Section 2.1.1 says "The Proposed Action would offer for lease 224 OCS blocks in the northern portion of the Cook Inlet Planning Area" and Section 1.3.1 on page 1-7 states "A lessee must submit a detailed Development and Production Plan (DPP) that BOEM must review under NEPA". It is unclear how a lease sale EIS determines the requirements for a part of the process where no plan has been submitted. We recommend that additional information be included on this subject.

Page 2-14, 1st paragraph, we note that AKG-31-5000 did not prohibit drilling discharges from new facilities but *only covered* development and production facilities that did not discharge these substances (similar to how AKG-28-5100 only covers exploration activities). Development and production facilities can apply for an individual permit, and like BOEM DPPs, would be subject to NEPA analysis. EPA's regulations allow the discharge of drilling fluids and cuttings in the OCS. This is also important to consider given the discharge prohibitions outlined in Alternative 6.

Page 3-19, 2nd paragraph, we note that while the water quality standards can be considered another measure, the requirements of 18 AAC 70 do not apply in the federal waters of Cook Inlet.

Page 3-20, 3rd paragraph seems to indicate that two-thirds of the population of Alaska lives in Anchorage when the actual population numbers (AK Department of Labor and Workforce Development website) show that this is the population of the entire Cook Inlet watershed. We recommend that this be corrected.

Page 3-20 3rd paragraph, we note that currently there are no large-scale coal mining operations for coal in the Cook Inlet watershed. A proposal for one project, Chuitna Coal Mine, is currently being evaluated, but a Draft EIS has yet to be published.

Page 4-29, 1st paragraph, we note that the draft Ocean Discharge Criterion Evaluation was included with the public notice for the National Pollutant Discharge Elimination System General Permit in 2013 but the final GP was released in August 2015 when the final permit was noticed in the Federal Register (August 5, 2015).

Page 4-29, 1st paragraph, we note that facilities could apply for an NPDES permit to discharge drilling muds and cuttings.

Page 4-30, 3rd paragraph, please change to "...the appropriate effluent limitation requirements listed in the Cook Inlet Exploration General Permit."

Page 4-30, 4th paragraph please change to "Vessels <24 m (79 ft.) in length that are operating as a means of transportation may be covered under the VGP, or may instead opt for coverage under the small VGP (sVGP) issued by the EPA."

ENCLOSURE 2
U.S. Environmental Protection Agency Rating System
For Draft Environmental Impact Statements

**U.S. Environmental Protection Agency Rating System for
Draft Environmental Impact Statements
Definitions and Follow-Up Action***

Environmental Impact of the Action

LO – Lack of Objections

The U.S. Environmental Protection Agency (EPA) review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC – Environmental Concerns

EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce these impacts.

EO – Environmental Objections

EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no-action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU – Environmentally Unsatisfactory

EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the Council on Environmental Quality (CEQ).

Adequacy of the Impact Statement

Category 1 – Adequate

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis of data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2 – Insufficient Information

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses or discussion should be included in the final EIS.

Category 3 – Inadequate

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the National Environmental Policy Act and or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

* From EPA Manual 1640 Policy and Procedures for the Review of Federal Actions Impacting the Environment. February, 1987.